

October 27, 2014

PRESENT: Philip Bean, Chairman
Mary-Louise Woolsey, Vice-Chairman
Rick Griffin, Selectman
Rusty Bridle, Selectman
Jim Waddell, Selectman
James Sullivan, Acting Town Manager

SALUTE TO THE FLAG

I. Public Comment Period (04:05)

Bob Ladd, 7 Cutler Avenue and Village District Commissioner, spoke about flood insurance premiums that are about to go up dramatically and community writing; going through transitional period in the flood insurance maps will be accepted formally by FEMA in September 2015; asked Selectmen to consider mailing a simple notice with the next tax bill; there are provisions for grandfathering but need to take affirmative steps prior to the implementation of the maps; FEMA has created an opportunity for communities to join the community writing system; benefit potentially from 5-45% premium reductions and the cost of the flood insurance should the communities comply with certain FEMA mandated requirements; consider creating a community management committee; believes it's unreasonable to expect the Police Chief or the Fire Chief to be preparing zoning ordinances which are core to the community rating system; don't expect them to be sitting there writing grants for FEMA appropriations; would be taking them from the tasks that the Town has hired them to do; these are responsibilities for a committee with members of the Planning Board and the Planner.

Selectman Griffin stated: believe you cannot send notices with the tax bills; tried to do it before for other things.

Acting Town Manager Sullivan stated: believe that to be accurate as well.

Chairman Bean stated: we'll bring this up specifically and address it later on in the meeting.

II. Announcements and Community Calendar (09:18)

Selectman Woolsey stated: the Fire Department Open House was great; wonderful family turnout; very enjoyable day; read part of a very nice letter of thanks regarding assistance from the Department of Public Works from Mr. Jerry Dignam; a week from tomorrow vote; 7:00am-8:00pm at Marston School on Tuesday, November 4, 2014.

Selectman Griffin stated: the parking meters will cease operating at the end of the month for the winter; DOT or DRED will have informational meeting down at the beach; it's on a

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Saturday morning from 9am-12pm; believe it's not this Saturday but a week from this Saturday; will make sure to have the correct time at next meeting.

Selectman Bridle stated: a lot of good events in Town this past week; Friday was Applefest at the Hobbs House will all the seniors; Trick or Treat is Friday night; clocks get changed back next Saturday.

Selectman Waddell stated: reiterate what Mary-Louise said; voting is next week on November 4, 2014; it's not a spectator sport; know the issues; know the candidates; asked the candidates to put their signs where they have permission to put them; leave them off public property.

Selectman Griffin stated: believes you can put them on public ways.

Selectman Bridle stated: agrees; as long as it is on public land.

Selectman Waddell stated: stand corrected but don't do it.

III. Consent Agenda (13:24)

1. Raffle Permit: Hampton Firefighters Toy Bank 50/50 Raffle

Selectman Woolsey MOVED the Consent Agenda SECONDED by Selectman Bridle.

VOTE: 5-0-0

IV. Appointments (13:38)

1. Ed Tinker, Chief Assessor

a. Land Use Change Tax: Dunbar, Susanna Tetlow & Michael J. - 44 Timber Swamp Road

Mr. Tinker stated: presented to the Board for approval land use change tax warrant; in relation to a lot line adjustment on Timber Swamp Road resulting in a one acre parcel being cut out of the larger two tracks; that didn't trigger the actual land use change tax; it was sold once the lot line adjustment was completed; new owner's land is liable for land use change tax which will be paid for by the seller.

Selectman Bridle MOVED to accept the Assessor's recommendation on the subject property SECONDED by Selectman Griffin.

VOTE: 5-0-0

Selectman Woolsey asked: is that individual liable for timber tax? Mr. Tinker answered: if it's the one I believe; we were out there back a year or so ago; it is allowable; it did not surpass the allowable amount.

2. Kristi Pulliam (15:29)

a. 2014 Tax Rate

Ms. Pulliam stated: hope to be setting the tax rate by the end of this week or beginning of next week at the latest; important for everyone to remember that setting the 2014 tax rate which is a reflection on the warrant articles and the budget and everything that passed back in March; doesn't have anything to do with the current budget we are working on; best estimate at this point for the Town's portion, there would be a rate increase of \$0.67 on the tax rate; it would go from \$7.04 to \$7.71 which is a 9.6% increase; Mike discussed with the Board back

in March, this increase could be mitigated by applying some of the Unassigned Fund Balance to the tax rate; this would help offset the tax rate increase for the Town; has been the Town's practice to stay within the minimum recommendation of both DRA and New Hampshire Governmental Financial Officers Association which is somewhere in the 5-8% range; if the Board wishes to do so they can decrease the Unassigned Fund Balance by \$1,000,000; would reduce the estimated 2014 tax rate to \$7.44 or 5.7% increase over 2013; the \$1,000,000 is made up of \$500,000 from the NextEra settlement; in the Reserve for Contingency Fund a set amount was set aside for that settlement; was settled for less than expected; money will be coming back into the Unassigned Fund Balance at the end of the year; \$300,000 would come from revenues; \$200,000 in under expenditures; best guess at this point where we'll be at the end of the year; another option would be to use only the \$500,000 from the NextEra settlement which would reduce the estimated 2014 tax rate to \$7.62 or 8.3% increase over 2013; discussed with Fred prior to his surgery and we're both comfortable with giving you the guidance if you choose to take the \$1,000,000; actual impact on the average single family assessed value would be \$221 if you don't do anything to offset to decrease the Unassigned Fund Balance; \$132 if you did choose to take the \$1,000,000 from the Unassigned Fund Balance.

Selectman Woolsey asked: what is the exact amount as we are here now of the Unassigned Fund Balance? Ms. Pulliam answered: at the end of 2013, which is all that the auditor's give, it was \$4.819, 000.

Selectman Woolsey asked: so that is what we would be pulling from? Ms. Pulliam answered: yes, that is where you would be pulling from.

Selectman Woolsey asked: DRA is requiring us to do just under the 3%? Ms. Pulliam answered: DRA is 5%; if you look at last year's numbers, the 5% was 2.8 and the 8% was 4.49; in the end of the year last year we ended up a little higher.

Chairman Bean stated: just for clarification for the public, the 5% you refer to refers to what? Ms. Pulliam answered: the DRA recommendation for the Unassigned Fund Balance; 5% of the expenditures.

Selectman Woolsey asked: what do we have left over that we could throw into the pot at tax rate setting; what is left after you set aside the 5%? Ms. Pulliam answered: these are last year's numbers.

Selectman Woolsey stated: say around \$2,000,000; was looking at debt service; identified three items; a 1999 Waste Water Treatment Plant; 2005 Hurd Farm; 2005 Beach Infrastructure; \$382,425 which includes interest on the 1999 Waste Water Treatment; \$103,114 which includes interest for 2005 Hurd Farm; \$37,286 for the 2005 Beach Infrastructure; that comes to \$522,825; take the extra money and kill those three debts; should save money on interest; like to terminate and pay off using the extra half million.

Ms. Pulliam stated: two are expiring next year; those are the last payments on two of them.

Selectman Woolsey stated: my theory is why leave them hanging like that when it looks like we have the money on the books.

Selectman Griffin asked: prepared to make the recommendation to take the \$1,000,000.

Selectman Waddell asked: good explanation for people to realize how the tax rate is set; agree with taking something to giving it back to the tax payers instead of keeping it; want to make sure structurally financially we're in good shape; weren't there some things in the financial audit that talked about some funds that weren't funded enough right now; want to make sure we aren't taking money now and later down the road we realize we should have been doing something else; right now we're at very low interest aren't we? Ms. Pulliam answered: yes we are at very low interest right now.

Selectman Waddell stated: is it wise to pay off a debt right now.

Chairman Bean stated: to address Selectman Waddell's point, it's the Compensated Leave Balance we're out over a million dollars on that; research has been done by the Finance Director; it needs to be on a warrant article; that's not part of your course of action.

Ms. Pulliam stated: this Unassigned Fund Balance cannot be used to fund that Compensated Absence Fund; would need to be put through as a warrant article; only vehicle to fund that right now would be the Employee Separation and the Buy Back; if there is any money left in that when the fund set up through a vote in 2012; would need to be sent out as a warrant article.

Selectman Griffin MOVED to take the \$1,000,000 from the Unassigned Fund Balance that has been recommended by the Finance Director and the Town Manager and the Former Finance Director SECONDED by Selectman Bridle.

VOTE: 5-0-0

b. Default Budget Update (28:14)

Ms. Pulliam stated: received the health insurance numbers which we have been waiting for; did receive a decrease in our insurance rate ranging from -8.6% to as high as -13.2%; came up with an 8.6% decrease; health insurance line went from \$2,999,454 to \$2,636,021; ends up being \$363,433 less than the Board of Selectmen budget that was put forward; that is in the default budget.

Chairman Bean stated: for clarification; we were pending establishment of the default for the health insurance rates; you have those and the default with those figures is? Ms. Pulliam stated: the default is \$26,507,097.

Selectman Woolsey stated: the Health Trust and LGC from 2003-2009 held back from repaying this town surplus funds; legal issue that has yet to be tackled; have you factored in the new Assistant Town Manager position in there? Ms. Pulliam stated: they are in the budget now; there should not be any questions.

Selectman Bridle stated: think it's excellent a lot of hard work went into reducing that; employees have been working very hard.

Selectman Waddell stated: agree with Rusty; employees doing their part in keeping it down; that helps tremendously.

Chairman Bean stated: there is an assertion by the Finance Director; the default budget of \$26,507,097.

Selectman Griffin MOVED to approve the 2015 Default Budget in the amount of \$26,507,097 SECONDED by Selectman Waddell.

VOTE: 5-0-0

Selectman Woolsey stated: have no done the reval yet; will have an impact on lowering some of the overall tax base.

Ms. Pulliam stated: when prepared the estimates did use the new valuation of property that Ed gave me; did put the new valuation in there for 2014; default is reflecting that the default budget is only \$942,785 above the Board of Selectmen's budget; not really fair; your budget doesn't reflect the new health insurance rates; the difference between the budget you have presented and the default budget is \$579,352.

c. September Financials (34:31)

Ms. Pulliam stated: ninth report of 2014; expenditure target is 75%; the month's total income was \$471,000; of that total, Motor Vehicles came in at \$258,000 which is \$35,000 above the monthly budget; puts Motor Vehicles \$254,000 above budget; other major contributors to the month's total were Building Permits at \$23,000, Parking Lots at \$36,000, Departmental Income at \$67,000, Interest on Taxes at \$51,000, and Real Estate Trust at \$34,000; Expense Summary at the end of September, the operating departments without debt service but with open POs were 74.35% of the budget which is lower by \$148,000 than the month's 75% target; Finance Postage account continues to run ahead of budget and Registry of Deeds continues to run ahead at 107.39%; not anything we have any control over; Management Information Services' four equipment related accounts through September are at 70.8% spent; Personnel Administration is now within the target budget at 72.74%; Planning Board is running over budget at 87% but when you combine this section with Office of Planning they are within budget at 69.6%; Police Department is at 72.34% overall when you include open POs; Fire Department is at 72% overall when the open POs are included; the four Fire Suppression OT accounts are at 62.2% of the annual budget; Highways and Streets is running slightly about target at 79% when open POs are included; partly related to the need for seasonal help in the summer; Municipal Sanitation is now running close to target at 75.4% when open portion of the annual PO for chemicals is used in the calculation; Parks and Recreation is over target at 76.5% that is to be expected since the summer is now over; Warrant Articles that were passed at Town Meeting all the Social Services have been paid; anyone that was over ten thousand we broke into two payments; 2013 Encumbrances showing that 69% have been expended to date; majority remaining of the \$104,000 is made up of the I&I Study, Codification Project, and the Exeter/High Street purchase order; Beach Sticker donations year to date equal \$15,000; awarded \$26,000 worth of scholarships so far this year; asked about the savings related to the Assistant Town Manager/Human Resources Director; it's being compared to the position that is being removed from the Legal budget which was the Assistant Town Attorney/Human Resources Coordinator; the savings is around \$7,000; the retirement will be taken off of there; no health insurance which was \$23,000 right there.

Selectman Woolsey stated: done a great job.

Selectman Griffin stated: thank you for the report.

Selectman Bridle stated: as always and excellent report.

Selectman Waddell stated: everything is on track; looking ahead.

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Ms. Pulliam stated: next goal will definitely be to provide some forecasting; once it is done it will be sent to the Board and presented at the next meeting; have provided the revenue budget; have reviewed it with Fred; able to get some information from the State of New Hampshire which lists out our State Aid Water Pollution grants and the Landfill grants and the amounts we are to be receiving; was waiting to receive information back from DES and another State agency.

Selectman Woolsey asked: is the SRF included in that? Ms. Pulliam answered: yes; that was what we were waiting for; not sure if you have voted on it in the past or not; just knew it was supposed to come to you before it went to the Budget Committee.

Chairman Bean stated: think it should be put off until next meeting; excellent work.

V. Approval of Minutes (42:27)

1. October 9, 2014 Non-Public Session and Public Session

Selectman Woolsey MOVED to approve the October 9, 2014 Non-Public Public Session minutes SECONDED by Selectman Bridle.

VOTE: 5-0-0

Selectman Woolsey MOVED to approve the October 9, 2014 Public Session minutes SECONDED by Selectman Waddell.

VOTE: 5-0-0

VI. Town Manager's Report (43:07)

Acting Town Manager Sullivan stated: contacted Mr. Welch and he's doing very well; asked to notify the Board to come up with a schedule for who is going to attend at the polls at the various times; made our first, second, and third pass at the warrant articles; the Board will start introducing them at the next meeting; Counsel has gone through them; being reviewed with those revisions; should be ready for the Board to start tackling them at the next meeting.

Selectman Woolsey stated: need to get going on the warrant articles; some of them need to be taken off.

Selectman Griffin asked: what about at the polls? Chairman Bean stated: at the polls, we're going to staff that in accordance with state law.

Acting Town Manager Sullivan stated: if you could send me your availability I'll develop a schedule for you and can finalize it at the next meeting.

VII. New Business (45:03)

1. BOS Representative Hampton Beach Area Commission Term Expiration

Acting Town Manager Sullivan stated: a letter came in from the chair for the Board to consider; Mr. Griffin has served in that role for a number of years.

Selectman Griffin stated: enjoy being there; live there and have for fifty-two years; have some value to add to that.

Selectman Bridle MOVED to Nominate Rick Griffin as the Board of Selectmen Representative to the Hampton Beach Area Commission SECONDED by Selectman Waddle.

VOTE: 5-0-0

VIII. Old Business (45:49)

Selectman Woolsey stated: learned a few more things at the Fire Department Open House; one thing we aren't not keeping track of but we should is walk-in medical assistance at the Fire Department at both stations; get an idea of what the volume is; possibility of whether insurance is a factor or not; the concept of staffing; there is a courtesy transport that has been going on; seems there is an ability to track; add a dimension to the Public's understanding of the mission that the Fire Department performs; big thought on the warrant articles she is ready to pull the proposed bond article; not comfortable at all with the engineering that has taken place; would like to focus more on revenue; think it's only fair to the tax payers; one of the big things in mind is impact fees; Planning Board asked to assess in 2002; have refused to assess muni impact fees; nobody wants to tax developers; see if we can do some lobbying to try and bring in more revenue to help offset the tax rate; believe Fred had Mr. Ladd's comments about the FEMA community rating system targeted; it is critical.

Chairman Bean stated: if we can schedule this as a specific agenda item next week; we'll discuss it next week as an agenda item.

Selectman Griffin asked: can he come next week and be part of the discussion? Chairman Bean answered: absolutely.

Selectman Griffin stated: commended Mr. Ladd for bringing that.

Selectman Waddell stated: agree that we'll talk about Exeter Road next week; needs to be discussed in detail; agree with looking at revenues; been looking at our overall structure of finances; making sure things are structurally in good shape; looking for revenue all over the place not just in one specific area.

Chairman Bean stated: have on item the Finance Director discussed tonight; replacement of the Human Resources and Personnel Director with the untimely loss of Wanda; appointment of Jamie to fill those shoes, speaks to the tremendous leadership pool, the talent and bench this Town has in departments; we were able to fill those shoes and at a cost savings; we reinforced the command element; we reinforced the extraordinary succession planning that has gone on under the prior boards; the selection and recruiting of the department heads and the Town Manager Mr. Welch who has made some of those appointments himself; it enhanced our operational capability; it's been a force multiplier for the return on investment for the tax payer, the shareholder in this Town; it has done so in an extraordinary way; if this was a private sector business it would be a fantastic recruiting accomplishment; we filled those two spots in addition as you see tonight that Jamie is hot seating for the Town Manager; it's been a seamless transition; it's brought in extensive leadership capabilities in terms of the personnel and human resources aspect; the Assistant Town Manager has extensive labor relations experience both from the union side of which he was a member and from management side leading the Hampton Police Department; it's a tenure of magnificent executive leadership and municipal platform that is now approaching thirty years; the Town of Hampton Police Department working in one of the most dynamic and challenging platforms in the State of New Hampshire; Mr. Sullivan is a Hampton resident; his children are Hampton residents; they have gone through the Hampton school systems; he sits here tonight and hot seats us; it has been a seamless operational transition; in a time of need he is

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simply here; in interesting times for the Town of Hampton leadership positions he has been a calming influence; we appreciate that; there have been questions about that in the community that are rightfully questioned when we make these decisions; this was an unanimous Board of Selectmen decision; it was one that came about quickly because of the passing of Wanda and her untimely death that led to this development; the notion of we created a new position of Assistant Town Manager simply is one that doesn't require any funds; it is done for free if you will and that is an unusual accomplishment; wanted to emphasize those points; Mr. Welch did discuss this prior to his departure; as the Chairman of the Board and our discussion we felt the same way.

IX. Closing Comments (55:50)

Selectman Griffin commented: think you put that very well; it's exactly how I think the Board feels.

Selectman Woolsey commented: in a situation like this and a town of this size with the stress factor of management; giving the Manager an opportunity of recovering from his surgery without all the stress; knowing the Town is in good hands; are we going to make an announcement on the commencement of the requested union negotiations? Chairman Bean answered: dedicated every Thursday afternoon as they negotiate for the Board; now with the health insurance rates finalized; that will be starting up anytime.

Selectman Bridle commented: Annual Firefighters Chili Cook-off is November 6, 2014 at 6:00pm at Wally's Pub; all the money raised there goes to Hampton Firefighter's Toy Bank; each year they do well over 250 children.

X. Adjournment (58:06)

Selectman Waddell MOVED to ADJOURN the public meeting at 07:50PM SECONDED by Selectman Griffin.

VOTE: 5-0-0

Chairman